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The potential for craft brewing tourism development in the United States: A stakeholder view

ABSTRACT

The craft brewing industry is experiencing growth worldwide; however, research on this industry has been scant in various domains, including research exploring the relationships between craft breweries and tourism. This study contributes to extant academic literature, investigating the perceived potential and challenges of craft brewing tourism (CBT) among 221 micro/small United States craft brewing operators. The study adopts stakeholder theory (ST) as the theoretical framework. Overall, participants perceived the potential of craft beer tourism (CBT) in their region/state. Pubs/bars selling locally crafted beer, packaged tours, beer-food pairings, tours and trails were predominantly identified forms of CBT development, while limited logistics and lack of time were main perceived challenges. Various statistically significant differences were identified, particularly based on level of production and age of the brewery. However, overall, most tests yielded similar levels of agreement. Alignments were revealed between the findings and ST's theses, namely, descriptive, instrumental, normative, and managerial.

Keywords: Craft breweries, micro and small operators, craft beer tourism development, stakeholder theory, United States.

Introduction

The emergence of craft beer or microbrewing is illustrated in various industry reports, as well as in academic research. For example, Kleban and Nickerson (2011), and the Brewers Association (2016a) indicate the continuous rise of craft breweries, including microbreweries, in the United States. A similar phenomenon is reported by Brewers of Europe (2016) regarding the craft brewing industry's growth in within the European Union.

The recent rapid growth of craft breweries in many nations has been reflected in academic research (e.g., Danson, Galloway, Cabras, & Beatty, 2015; Ellis & Bosworth, 2015; Fastigi, Esposti, Orazi, & Viganò, 2015; Murray & Kline, 2015). One study (Murray & O'Neill, 2012) also highlights the strong relationships between craft beer, microbrewing, and the hospitality industry.

Overall, however, research on this burgeoning industry is still in its early stages. One view is that "little research has addressed the craft beer industry let alone their owners" (Watne & Hakala, 2011, p. 54). According to May (2012), microbrewing has received scant attention from the economic geography literature. Further, Aquilani, Laureti, Poconi, and Secondi (2015) identify limited research focusing on craft beer, including from an Italian consumer perspective. Moreover, these authors further state: "no studies have yet been carried out in Europe or in Italy on consumer preferences determining craft beer choice and consumption" (p. 214). Limited literature has also been identified concerning "marketing strategies among micro operations involved in new niches among mature industries (Cannatelli, Pedrini, & Grumo, forthcoming).

More specifically related to the present research, studies on craft beer tourism (CBT) are also few and far between. Indeed, nearly a decade ago, two studies (Plummer, Telfer, Hashimoto, & Summers, 2005; Plummer, Telfer, & Hashimoto, 2006) examined the rise and fall of a Canadian Ale trail. Also in North America, an exploratory research among Alabama's craft

brewers investigated the potential of CBT in this state (Duarte Alonso, 2011). Not surprisingly, Dunn and Kregor (2014) identified limited research focusing on the relationships between tourism and craft breweries, while Dunn and Wickham's (2016) study underlined that "more needs to be known about the growth trajectories of the 'craft brewery tourism' sector" (p. 141).

This exploratory study fundamentally addresses some of the identified research gaps above, both regarding the literature on craft brewing tourism and craft brewing entrepreneurship. The study adopts Plummer et al.'s (2005) definition of beer tourism. Essentially, beer tourism is a leisure activity based on motivational elements, which entail experiencing a beer region, visiting breweries, and beer festivals/shows, and tasting beers (Plummer et al., 2005). The following research questions will be examined from the perspective of a key stakeholder group in the craft brewing industry, namely, craft brewery operators, predominantly owners, directors, and brewmasters:

RQ1: To what extent could CBT be developed? Moreover,

RQ2: What forms of CBT could be developed?

RQ3: What could be some of the challenges in developing CBT?

In addition, statistical tests are employed to confirm/disconfirm any inter-group differences. For instance, scales measuring the above questions will be tested against participants' demographic characteristics (e.g., gender), or demographic characteristics of craft breweries (e.g., size in production levels, employees).

Addressing the questions above could provide valuable new knowledge to various stakeholders involved or interested in the burgeoning craft brewing industry, including practitioners and academics. In fact, perceived forms of CBT that could be developed, as well as the perceived challenges, could be informative to practitioners involved in the craft brewing industry, and considering diversification alternatives. At the same time, this added information could contribute to narrowing the existing knowledge gap in the academic literature of CBT's potential. Moreover, the overall findings could be used by researchers as a foundation for future investigations of the CBT phenomenon. The study also contributes to theory development and refinement, in that it applies stakeholder theory (ST) as its theoretical framework, especially in the context of RQ1 and RQ2. The following sections present the rationale for this choice, and a discussion of the theory. Freeman's (1984) definition of stakeholder, namely, any individual or group that can be affected by or affect the attainment of an organisation's objectives, is adopted. Finally, in this study the 'organisation' or 'corporation' referred to by the ST literature is represented by craft breweries and/or the craft brewery industry.

Literature Review

Numerous studies have applied stakeholder theory (ST) in tourism research to analyse a variety of stakeholders (e.g., Byrd, 2004; Byrd, Bosley, & Dronberger, 2009; Jamal & Stronza, 2009; Nilsson, 2007; Sautter & Leisen, 1999). Some researchers, however, have either only considered ST, or have combined it with alternative frameworks to study one group of stakeholders. For example, Presenza and Cipollina's (2010) research adopted both ST and network analysis to examine Italian tourism firms. Other researchers (Dodds, Graci, and Holmes, 2010) have considered ST in their literature review, and have surveyed tourists' perceptions of tourism's environmental effects. In a different discipline, Marshall, Akoorie,

Hamman, and Sinha (2010) adopted both the theory of reasoned action and ST when they investigated winery managers' perceptions of environmental practices **in the wine industry**. In line with these last investigations, the present study adopts ST as the theoretical foundation to study craft brewery operators. **The role of this stakeholder group is vital, particularly as the main provider of the craft beer experience, through production, tastings, direct sales, and through consumer education.** Together, these forms of involvement strongly suggest the potential contribution of craft brewery operators to developing CBT.

The relevance of ST

While many contributions in ST-related research exist (e.g., Currie, Seaton, & Wesley, 2009, Freeman, Wicks, & Parmar, 2004; Jones, 1995), the seminal work of Donaldson and Preston (1995) developing a "stakeholder model of the corporation" (p. 66) is critical to the following discussion. Moreover, in the absence of published CBT research adopting ST, whenever applicable, this discussion will be complemented by alternative literature, including the wine tourism literature. Furthermore, the theory will be interpreted in the context of craft brewing and CBT. This decision is aligned with Donaldson and Preston (1995), who underline that ST can be used or presented in a variety of forms; **in turn, these forms** may also involve different types of evidence or methodologies.

Overall, the ST model seeks to guide and explain the operation and structure of an established corporation (Donaldson & Preston, 1995). ST is referred to as a new narrative that helps understand three interrelated business problems: 1) how value is traded and created, 2) linking capitalism and ethics, and 3) assisting management in thinking how to address the first two problems (Parmar et al., 2010). **Moreover, ST could assist in recognising that,** when an organisation's objectives are established, "they should balance the sometimes conflicting claims of various stakeholders" (Reid and Arcodia, 2007, p.20).

In justifying and clarifying the stakeholder concept, Donaldson and Preston (1995) contrast two models (conventional input-output model of the firm versus stakeholder model), and summarise various central theses developed from the extant literature:

Descriptive: The thesis emphasises corporations as collections of competitive as well as cooperative interests with intrinsic value. The descriptive element of the thesis also justifies the question: Do participants or observers perceive the corporation in this manner? (Donaldson & Preston, 1995). Intrinsic value has been defined as "value which depends solely on the intrinsic [e.g., fundamental] nature of the thing in question" (Attfield, 1998, p. 164). Concerning stakeholders, intrinsic value suggests that "their interests range in the "worth" or substance" (Sautter & Leisen, 1999, p. 316).

In interpreting this thesis in the context of craft breweries, arguably, revenues and profitability represent operators' competitive interests. However, cooperative interests are linked to those of a cooperative or collaborative nature. Moreover, the cooperative aspect could be illustrated in the relationships between the breweries and buyers, including hospitality businesses (e.g., hotels, restaurants, bars/pubs), as well as end consumers. The thesis may apply, for instance, in explaining operators' efforts in educating hospitality business managers and end consumers. **The thesis could** also be interpreted in that these stakeholders could provide feedback or their overall verdict (acceptability/lack of acceptability of the product) back to the brewery. Subsequently, in response to feedback, operators could improve and/or maintain the consistency of the quality and safety standards of the craft beer, with key implications for

their industry's image. In a CBT environment, such interests could be demonstrated in brewery operators' relationships with visitors to a craft beer festival, with organisers, or with local authorities and the community.

Instrumental: According to Donaldson and Preston (1995), the thesis represents an instrument, establishing a framework that facilitates the identification of any links between a corporation's achievements of different performance objectives and practicing stakeholder management. Moreover, a key proposition is hypothesised in this thesis, namely, that corporations' success "in conventional performance terms" (Donaldson & Preston, 1995, p. 67), including growth, stability or profitability, is directly related to the practice of stakeholder management.

While return on investment and profitability may be fundamental motivational factors for establishing a craft brewing business, these end goals are closely dependent on operators' relationship and behaviour towards their stakeholders, including consumers. Moreover, and as also suggested in the descriptive thesis, stakeholder management in the context of breweries may take the form of consistent product quality and safety, which can build trust, and also draw consumers' interest in CBT through visitation of beer shows and festivals. The instrumental thesis could also apply to suppliers, distributors, festival managers, local tourism development agencies, or hospitality operations purchasing the craft brewery's products. All these stakeholders could become instrumental in the development of CBT; hence the significance for craft brewery operators to properly manage these stakeholders.

Normative: Fundamentally, this thesis prescribes the acceptance that a) stakeholders are groups or individuals who have legitimate interests in substantive or procedural areas of corporate activities, and b) all stakeholders' interests "are of intrinsic value" (Donaldson & Preston, 1995, p. 67). Moreover, "each group of stakeholders merits consideration for its own sake" (Donaldson & Preston, 1995, p. 67). In the context of craft brewing and CBT, corporate activities are represented by the efforts of craft breweries' ownership to disseminate knowledge of the products, and build or further develop a craft brewing culture within the population. Moreover, as is the case of wine tourism, which heavily depends on perceived product/service quality (Chen, Bruwer, Cohen, & Goodman, 2016), as well as on key experiential elements or attributes, including self-indulging, self-gratification and pleasure-seeking (Bruwer & Alant, 2007), craft brewery operators need to equally consider and address the needs and wants of key stakeholders. Regarding CBT, visitors, suppliers, distributors, local council/government, local tourism associations, or security personnel represent some key stakeholders with 'intrinsic value' to breweries and therefore to CBT's development. As important stakeholders in the process of building a craft brewing culture and CBT, these groups' interests need to be independently considered by operators and the industry.

Managerial: In the broad sense, ST is managerial, in that, apart from predicting cause-effect relationships and describing existing situations, it recommends practices, attitudes or structures, which, together, symbolise stakeholder management. Furthermore, as a fundamental attribute, stakeholder management involves paying "simultaneous attention to the legitimate interests of all appropriate stakeholders" (Donaldson & Preston, 1995, p. 67). The managerial thesis can apply to CBT development and management. For example, the cause-effect relationship derived from craft brewery industry's goals and objectives versus practicing stakeholder management could have important implications.

Furthermore, the proper balancing act of pursuing corporate goals while paying attention to various stakeholders' interests would require structures, attitudes and practices. These elements, that could be operationalised through consumer education, dissemination of knowledge and information, consistent product/service standards, or working collaboratively with regional/national tourism entities, are vital to CBT development. The 'cause' is represented by the significant growth of the craft brewing industry, arguably triggered by increasing consumer interest in 'niche' beer markets/brands. The 'effect' is illustrated by how the craft brewing industry could manage and channel such interest. Thus, similar to wine tourism, the 'effect', which underlines attitudes, structures, and practices, could take the form of formalising regional craft brewing tours and trails or events.

In adopting ST, and in focusing on craft brewery operators, the present study examines the perceived potential of CBT, forms of CBT that could be considered, and challenges in working towards CBT development. Inter-group differences between the areas under investigation and demographic characteristics of breweries and participants are also tested.

Methods

This exploratory research investigates various fundamental aspects of CBT from the perspective of United States craft brewery operators, and through the lens of ST. This group of stakeholders is primarily chosen, as owners, managers, and brew masters represent the main providers of the craft brewer product and experience. Clearly, other stakeholder groups (consumers, distributors, suppliers) could have been chosen. Given the constraints of the study in terms of human, time, and financial resources, the study only focuses on this group. However, studying only one group of stakeholders is also in line with earlier tourism research (Dodds et al., 2010; Marshall et al., 2010; Presenza & Cipollina, 2010).

As previously suggested, the perceived potential of CBT, forms of CBT that could be developed in participants' region/state, and perceived challenges in CBT development are key areas examined. In addition, the study tests potential inter-group differences based on demographic characteristics of participants and breweries, against the areas under investigation. The substantial number of existing craft breweries and the wide distribution of these businesses throughout the United States, which imply the need for significant resources to contact and gather data, were key motives for choosing an online questionnaire over other forms of data collection, such as paper questionnaires, or interviews. This choice, while not free of constraints due to the prospect of low response rates (e.g., Jin, 2011) is however aligned with the data collection approach of previous wine consumer studies (e.g., Bruwer and Johnson, 2010; Johnson and Bruwer, 2007). Indeed, Bruwer and Johnson (2010) used predominantly a quantitative data collection approach when studying wine involvement among consumers. Similarly, Johnson and Bruwer (2007) adopted a quantitative approach to study consumers' perceptions of wine quality.

The questionnaire was designed to various areas, and was divided into several sections. One section sought to learn about demographic characteristics of participants and THE breweries. A second section provided a scaled item measuring perceptions of the potential of CBT. A third section presented participants with two scaled sections, one with forms of CBT that could be developed (Table 2), and the other with challenges in the development of CBT (Table 3). All these items and sections used a Likert-type scale, where 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, and 5= strongly agree. Likert-type scales were chosen to clearly indicate what each scale meant.

The questionnaire sections were designed reviewing the existing beer tourism development literature (e.g., Duarte Alonso, 2011; Plummer et al., 2005, 2006). For example, various scaled items were designed following Plummer et al.'s (2006) definition of beer tourism. However, due to the limited number of studies on craft beer or CBT, the appropriate literature on wine tourism development and growth (e.g., Duarte Alonso & Liu, 2011; Stewart, Bramble, & Ziraldo, 2008) was also considered. Overall, the questionnaire was designed to gather numerical data. However, a qualitative component was also present, namely, in the form of space for comments at the end of sections 2 and 3. This component was made available to complement the quantitative data collection approach.

A search through numerous websites of state craft brewery listings, independent craft breweries, and craft brewery associations helped identify 1,772 email addresses nationwide. A message with a summary of the study's objectives was sent to these businesses in June of 2015; the message also asked recipients to follow a URL that would direct them to the online survey. Initially, 76 emails were returned indicating failure of delivery. Three reminders were sent over the following weeks to the remaining 1,696 email addresses; the data collection expanded from June to August of 2015. During this time, 230 valid responses were gathered. However, in nine cases various areas under investigation were incomplete. As a result, these responses were deemed invalid. Thus, in total 221 valid responses were collected, a 13.0% response rate. This percentage is significantly higher than, for instance, wine tourism research employing online questionnaires (e.g., Bruwer & Johnson, 2010; Johnson & Brewer, 2007); however, it is modest in terms of the generalisability potential.

Therefore, caution should be exercised in the overall interpretation of the findings. Despite this limitation, the study provides new and added information on an area that continues to be under-researched. The new insights that reveal opportunities and challenges of CBT development could be of interest to craft brewery operators considering CBT as one among other diversification options. Furthermore, the findings could be useful to small/micro business development agencies, in identifying ways to create growth and development, to craft brewer associations, both in developing the industry and supporting members, and finally, to researchers and end consumers.

The number of responses, and the characteristic of the questionnaire sections, with various sections using Liker-type scales, justify the choice of various statistical tests to analyse the data. These tests include independent-samples t-test, and one-way ANOVA (Scheffé post hoc). These choices are also in line with contemporary wine tourism research (e.g., Barber, Dodd, & Ghiselli, 2008). In the following sections, the collected qualitative data from participants' comments will be provided verbatim; comments will be labelled as P1, P2 (Participant 1, Participant 2) and so forth.

Results

4.1 Demographic characteristics – craft breweries and participants

Brewery owners and directors represent over 70% of participants, while nearly 11% are employees (Table 1). Further analysis revealed that 31 participants (14%) performed more than one role at the brewery (e.g., owner/brewmaster). All participating breweries fall under the category of micro and small firms. For example, in terms of volume, the Brewers Association (2016b) defines small brewers in the United States as those producing a maximum of six million barrels or less annually, approximately 715 million litres. Regarding

the number of employees, 60% of craft breweries employ less than nine individuals or none. At the other end, only 21 breweries (9.5%) employ 50 or more people. Reflecting the rapid growth of the craft brewing industry in the United States and elsewhere, the majority of breweries (61.1%) have been established in the last three years. Regarding the gender composition of respondents, males were the clear dominant group, while geographically, the largest of four identified groups was from the West Coast. Finally, nearly 14% of craft breweries are exporting to other states or neighbouring countries. Similarly, the vast majority open their doors to the public, clearly illustrating their involvement and relationships with hospitality and tourism.

Table 1 Here

4.2 RQ1: Perceptions of CBT development; inter-group differences

Asked about the extent to which CBT could be developed, and as illustrated (Table 2), participants positively perceived the potential for CBT development, with only 26 (11.8%) indicating a neutral level of agreement or disagreement. Space at the end of this second section allowed for a number of typed responses, which revealed two predominant themes. The first theme identified an already burgeoning CBT movement in some of the states, which further supported the overall positive sentiment about this industry. In some cases, comments suggested that such potential could follow or replicate the earlier establishment of wine tourism:

P1: *Craft beer tourism is in a very new stage in Massachusetts. It should become like the vineyards of California in coming years.*

P2: *It's already happening, similar to our WA wine tourism. WA Beer still has a long way to go, but with hop production what it is here in the state, we offer rare opportunities to see all of the WA Beer Story.*

P3: *We already have a bolstering Craft Beer Tourism market in our local region, as well as Oregon as a whole, and the Pacific Northwest and West Coast areas. This can certainly be grown and expand upon as the industry continues to grow.*

Table 2 Here

The second type of comments identified unexploited opportunities, and room for further development:

P4: *Our region of Oregon is slowly becoming recognized as a craft beer destination. Working together, we all can help promote the culture of craft beer to locals and visitors alike.*

P5: *The St. Louis Brewer's Guild is pushing for an increase in beer tourism to the city due to our rich history and density of quality microbreweries.*

P6: *Although we live in a tourist area, we could improve in attracting visitors in the off season.*

In addition, the fact that only one statistically significant difference was noticed regardless of the demographic group participants or breweries belonged to, further reflects the general positive perceptions. However, even in this case all the different groups were in agreement. For example, participants from the 'newer' breweries, those established in the last three years, agreed more (mean=4.44) than those from 'older' breweries (mean=4.19), or over three years ($p<0.02$) concerning the potential for CBT development in their region/state.

4.3 RQ2: Perceived forms of CBT that could be developed; inter-group differences

Participants were also prompted to indicate the level of agreement concerning specific ways in which CBT could be operationalised. Overall, responses followed a positive trend previously identified, with the figures in Table 3 being clearly associated with those in Table 2. While a level of agreement was noticed in all eight proposed forms, five of these stood above the rest. Importantly, participants agreed more with activities that clearly suggest the need for collaboration/cooperation with other craft beer ‘stakeholders.’ Such collaboration included the distribution to local pubs/bars, or working with other businesses and breweries. Concerning this item, P7 stated: “A lot of our pubs/bars are currently selling craft beer as we can now distribute to them.”

Testing the internal consistency of the scale items, the Cronbach’s Alpha (.867) suggested the appropriateness to conduct further analysis (e.g., Nunnally, 1978). Running one-way ANOVA (Scheffé post hoc), a statistically significant difference based on level of production emerged ($p < 0.050$). In fact, those participants representing breweries that produced the most barrels (4194 and above), agreed less (mean=3.85) with establishing brewery tours than those producing between 336 and 839 barrels (mean=4.34). One possible justification for this result is that operators from the ‘larger’ craft breweries may need to seek distribution outlets for their products more intensively. Once this objective is achieved, they may not perceive a need to become involved in craft brewery tours. Another justification could be that, given the larger size of the brewery, the more industrial facilities may not be perceived as appealing, or be prepared for tours. A second statistically significant difference was noticed based on breweries’ region ($p < 0.050$), with participants from the West (mean=3.94) agreeing less than those from the South (mean=4.38), and the Mid-West (mean=4.40) regarding brewery trails as a form of CBT. One reason for these results could be the concentration of breweries in specific towns of the last two regions, with closer geographic proximity.

Table 3 Here

Running independent-samples t-test, a statistically significant difference ($p < 0.050$) was revealed. Those participants performing more than one role at the brewery agreed more (mean=4.29) than those performing only one role (mean=3.94) concerning the perceived potential of craft beer festivals. One plausible reason for this finding is that those performing one role, in particular owners (122 cases), may be less prone or have less time to explore and identify trends or new developments outside the brewery. In contrast, those performing more than one role, including owners/brewmasters (20 cases) may be more actively involved with other external stakeholders. As a result, these participants may have more industry contacts, and be more inclined to incorporate or assimilate new forms to market their products. Table 4 also illustrates statistically significant differences based on the age of the brewery. In all cases, the level of agreement among operators of more recently established breweries was higher. Again, these differences may be justified by the broader, more proactive, or even more flexible view of operators from newly established breweries, considering a variety of ways to market their products. At the other end, operators of the more established breweries may have already developed other strategies in place, and may therefore be less inclined to consider CBT as a potential business strategy.

Table 4 Here

Space at the end of this section again allowed for gathering several comments, some of which further highlighted the various forms in which CBT could be operationalised, and that participants seem to be considering:

P8: *We are located in an area experiencing a craft brewery boom. All of the above things are already happening here, except for the packaged tours, and I see that one on the horizon.*

P9: *There are already lots of these experiences available in our area. We are mostly lacking big beer festivals and some form of "ale trail."*

However, apparently based on previous disappointing experiences, a more cautious view was also expressed (P10): *"This [CBT] has been attempted in my region and the result was a disaster. A bus tour was planned with visits to multiple breweries and the business never got enough people to even do one tour although several, about 10, had been planned."*

4.5 RQ3: Perceived challenges in developing CBT; inter-group differences

A final question concerned participants' perceived challenges in developing CBT. The modest means shown in Table 5 suggest that, for the participants, the challenges to CBT development do not seem significant. At the same time, these findings provide yet another illustration of the overall positive perceptions regarding CBT development. Only four of the eight items are close to the 'neutral' level, or 'neither agree nor disagree.' Various verbatim comments underlined the problem of limited logistics or transportation options, as well as some compliance issues that posed constraints to the further growth of CBT:

P8: *The City of Houston and the surrounding metro area is about 10,000 sq. miles. All but 5 inner city breweries are extremely scattered and it would make it difficult to drive/tour. Most breweries are only open to the public on Saturdays from 1 to 3 pm because they do not have the facilities to meet requirements for on-site consumption and must do tastings only.*

P9: *We are several miles (50+) away from any other breweries. This would make being part of a trail difficult.*

P10: *Kansas City is very spread out and the time to travel from brewery to brewery could be an issue as well as lack of good public transportation for people to travel on their own and avoid drunk driving laws.*

Table 5 Here

In comparison, the low means suggest that participants appeared to disagree with lack of collaboration among craft breweries and with lack of a local craft brewing culture. One other verbatim comment emphasised lack of institutional support (P10): *"In Frederick County, we have enough breweries now to have a Beer Trail, but there is no support from local government nor the state brewer's guild to make it happen."*

As previously tested with Table 3's items, the internal consistency of the eight scaled items (Table 5) resulted in a Cronbach's Alpha (.796) that supported further analysis. However, only two statistically significant differences were noticed; both differences are based on participants' gender. First, males agreed more (mean=2.84) than their female counterparts (mean=2.38) regarding lack of facilities to host visitors ($p<0.20$). Second, and associated with the previous finding, males' level of agreement was higher (mean=2.87 versus mean=2.50) concerning the required investment to host visitors ($p<0.50$).

Discussion

The findings revealed an alignment with the various theses proposed by ST (Donaldson & Preston, 1995). Importantly, the theses appear to be mutually inclusive, suggesting that the findings may apply in the context of more than one thesis. The following discussion is complemented by a framework conceptualising the results of Table 3, and proposing a refinement of ST's theses in the context of CBT (Figure 1).

Descriptive thesis: The 'competitive/cooperative interest' elements emphasised by Donaldson and Preston (1995) emerged in the findings. The competitive interest is clearly reflected in participants' level of agreement with the perceived potential of CBT. Furthermore, both competitive and cooperative interests were revealed through participants' agreement with the proposed forms of CBT (Table 3). As suggested earlier, the educational component could be vital in a) disseminating knowledge of craft breweries' products, b) creating bonds between breweries, distributors, hospitality businesses (restaurants, pubs), and end consumers, and c) receiving critical feedback to make quality or other improvements. Thus, educational activities could overall enhance the local industry's brand image, its competitiveness, and cooperation among various stakeholders. Together, educational activities could lead to CBT development through craft brewing festivals among other forms.

In this context, wine tourism research highlights the importance of the educational component to enhance visitors' experience (Kim & Bonn, 2016; Quadri-Felitti & Fiore, 2016). For example, Kim & Bonn (2016) identify visitors' willingness to revisit the winery where they experienced wine tourism, including the element of 'authenticity' in tasting wines on-site and the atmosphere of the winery. Similarly, earlier studies (Marzo-Navarro & Pedraja-Iglesias, 2009, 2012) emphasise the experiential element, and, importantly, how services wineries offer, including providing knowledge about the products, can have a very positive impact on visitors' perceptions.

Instrumental thesis: Strong relationships were highlighted between CBT development/success, breweries' overall business objectives/success, and Donaldson and Preston's (1995) recommendation of practicing stakeholder management. In fact, participants' agreement to work with pubs/bars, or with various businesses to offer packaged tours or brewery tours and trails illustrate preparedness to 'manage stakeholders' or, in this case, establish or strengthen collaborative relationships. Also important is breweries' relationship with other stakeholders previously identified, namely, suppliers (e.g., of brewery equipment, bottles, labels, raw products), festival managers, or local agencies, such as local council/town hall. While collaboration was not perceived as a challenge toward CBT development, P10's comment suggests that in some regions this resource may still be in short supply.

Figure 1 Here

Normative: As the findings from both Table 3 and additional participating comments underline, accepting the substantive or legitimate interests of various stakeholders (Donaldson & Preston, 1995) are strongly associated with CBT development. Such association also has implications for the future success of the local craft brewing industry. Moreover, given the apparent positive perceptions of CBT development among participants, which may result in interest and involvement, craft breweries and the industry need to carefully consider their main stakeholders' interests. One way of doing so is through craft brewers' individual, as well

as collaborative efforts in developing a craft **brewing culture**. Such efforts could be more intense among the most relevant and closest stakeholders (e.g., consumers/visitors, distributors, hospitality operations), continuously disseminating knowledge about the industry and its products. In support of this notion, Quadri-Felitti and Fiore (2016) emphasise the potentially beneficial outcomes from the establishment of partnerships with hospitality and even educational institutions, which “would extend the learning halo” (p. 413). Furthermore, a well-developed experiential environment, starting with craft brewery visitation, and subsequent involvement in other CBT activities, could build or strengthen a craft brewing culture.

Managerial: Cooperating and working with a variety of stakeholders could over time help establish structures and practices to guide the **craft brewing** industry to consider and address stakeholders’ interests, needs, and wants, especially those of consumers, distributors, and hospitality operations. Arguably, there is a reciprocal relationship between brewery operators and these groups of stakeholders. **First, these stakeholders may have a legitimate interest in craft breweries’ activities, as these have implications for leisure, consumption, safety (consumers), or sales (distributors, hospitality operations).** Thus, given the potential patronage and loyalty (consumers), or purchases and sales (distributors, hospitality businesses), the impact **of various stakeholders on craft breweries** could be massive. Second, and as a result, breweries depend on these stakeholder groups, and accordingly need to look after their interests. Therefore, the above structures and practices underlining brewery operators’ proactive attitudes, **for instance, towards their end consumers, could** include product/service quality standards. Regarding these aspects, findings in wine tourism research (Marzo-Navarro & Pedraja-Iglesias) emphasise the need for developing communication strategies in order to help increase consumers’ interest in the product. Finally, structures and practices could be developed to guide operators’ relationships with suppliers, local tourism councils and government institutions, with **potentially positive impacts on** the design and execution of CBT related projects and ideas.

As illustrated (Figure 1), the different associations between ST’s theses and the findings have important implications for various stakeholders, the craft brewing industry, and, ultimately for craft breweries as the main providers of the CBT experience. The cycle then starts again at the point of craft brewery operators’ perceptions of CBT; importantly, these perceptions can influence their relationship with other stakeholders. Overall, the framework (Figure 1) provides a refinement of ST in the context of CBT development, and therefore an additional contribution of the present exploratory research.

Conclusions

The increasing number of new craft breweries in many regions and countries provides a significant experiential element for consumers to taste unique, non-mass produced products. The fast growth of craft breweries also suggests the potential for CBT development in towns, cities, or other areas and regions where craft breweries operate. **A growth** of academic studies examining the craft beer industry has been noticed. **To date, however, various authors recognize a dearth of knowledge and research on this industry (e.g., Aquilani et al., 2015; Cannatelli et al., forthcoming; Watne & Hakala, 2011).** Such knowledge gap includes research on the relationships between craft breweries and tourism (Dunn & Kregor, 2014; Dunn & Wickham, 2016).

This exploratory study sought to contribute to the CBT literature, **exploring the burgeoning craft brewing industry** from the perspective of predominantly micro and small United States craft brewery operators. The findings underline participants' positive perceptions regarding the potential for CBT **development. In particular**, distribution to hospitality businesses (pubs/bars), packaged tours and craft beer/food pairings were perceived as most attractive forms of CBT. In contrast, the modest means (Table 5) did not clearly point out at any specific challenges, with logistical and time limitations being the most significant. Several statistically significant differences underlined variations in perceptions based on breweries' production, the age of the brewery, and also based on participants' gender. Verbatim comments further complemented the predominantly numerical data, and supported participants' overall perceptions. Furthermore, the four ST-related theses prescribed by Donaldson and Preston (1995) guided and informed the research, allowing for in-depth understanding concerning perceived forms of **CBT (Table 3), and how** these relate to CBT and the craft brewing industry's stakeholders.

Implications

The overall findings identify various practical implications. Fundamentally, the generally positive perceptions of participants, including their agreement with the various forms of CBT that could be on offer provide clear evidence of CBT's potential. In turn, this evidence could be further considered by a number of stakeholders. For example, regional tourism development agencies or state/government agency representatives could further examine the potential of CBT in **those regions**, including states or counties identified in the study. The findings also underline the significance of further fomenting collaboration between craft breweries and other stakeholders, **and the significance** of proper stakeholder manager, particularly given the inter-relationships or **dependence** of breweries on consumers, visitors, and local hospitality businesses. Furthermore, while the findings reveal that lack of collaboration did not seem to be a key **challenge. However, given** the relatively recent growth of this industry there is limited information regarding collaboration or other critical areas that could affect the sustainable growth of CBT. Thus, the role of development agencies, together with the craft brewing industry and other stakeholders, including festival organisers/managers, hospitality and tourism industry stakeholders, and consumer groups, could be vital in designing future CBT-related plans and projects.

According to Gioia and Pitre (1990), the process of theory building entails generating, testing, and refining theoretical representations. This study employed ST's theses as tools to facilitate understanding of the interplay between craft breweries, stakeholders, and CBT. Thus, from a theoretical perspective, the refinement of ST proposed in this research (Figure 1) underlines key implications. First, the adoption of Donaldson and Preston's (1995) theoretical framework based on the four theses highlighted its usefulness in guiding the study of CBT. Consequently, this framework could also be operationalised in future CBT research, or research focusing on other forms of tourism development, or other forms of entrepreneurship where the involvement of one or various stakeholders is vital to the development of a new business proposition. **A second implication concerns the different associations between the findings and ST displayed in Figure 1. The structure of this framework, either in its current form or modified, could invite reflection and, if adopted, could guide future research examining stakeholders' role in a particular industry, area of interest, including CBT.**

Limitations and Future Research

As indicated earlier, the study is not free of limitations, one of which is the achievement of a 13% overall response rate. Furthermore, data gathered from other countries could have allowed for useful comparisons, and potentially also for identifying differences in perceptions. Similarly, data could have been gathered at different times of the year, or longitudinally, for instance, every two years, which could have helped confirm previous perceptions of CBT development, or even differences in perceptions. Again, despite these limitations, this exploratory study represents an initial effort to study predominantly micro and small United States craft breweries nationwide. This effort provides empirical evidence of a growing phenomenon that still continues to be considered to a very limited extent in academic studies. Finally, the study provides an original element, in that its focus of studying craft breweries nationwide differs from earlier studies primarily devoted to a region or state (e.g., Duarte Alonso, 2011; Plummer et al., 2005, 2006).

Future research could attempt to address some of the above limitations, for instance, identifying more craft breweries nation-wide, and achieving higher response rates. In particular, future research could benefit from a more balanced response rate from different United States regions, which could allow for comparing perceptions regarding opportunities and challenges in CBT development. This information could be complemented by face-to-face interviews with selected craft brewery operators. Studies could also help confirm/disconfirm the overall positive views concerning CBT development in the present research. In addition, other CBT stakeholders could be considered in future investigations, including consumers/visitors to craft breweries or craft beer festivals/fairs, suppliers, distributors and hospitality operations (e.g., hotels, restaurants, bars). This information could provide very valuable perspectives that might lead to identifying stakeholders' needs and wants, including in regards to involvement in CBT. Finally, the further consideration and application of ST could not only enlighten or illuminate researchers investigating the significance of stakeholders in CBT development, but also lead to theory development or refinement. In this context, the adoption of ST in combination with other theoretical frameworks, including the theory of planned behaviour, role theory or social exchange theory, could also be considered.

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The potential for craft brewing tourism development in the United States: A stakeholder view

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The potential for craft brewing tourism development in the United States: A stakeholder view

ABSTRACT

The craft brewing industry is experiencing growth worldwide; however, research on this industry has been scant in various domains, including research exploring the relationships between craft breweries and tourism. This study contributes to extant academic literature, investigating the perceived potential and challenges of craft brewing tourism (CBT) among 221 micro/small United States craft brewing operators. The study adopts stakeholder theory (ST) as the theoretical framework. Overall, participants perceived the potential of craft beer tourism (CBT) in their region/state. Pubs/bars selling locally crafted beer, packaged tours, beer-food pairings, tours and trails were predominantly identified forms of CBT development, while limited logistics and lack of time were main perceived challenges. Various statistically significant differences were identified, particularly based on level of production and age of the brewery. However, overall, most tests yielded similar levels of agreement. Alignments were revealed between the findings and ST's theses, namely, descriptive, instrumental, normative, and managerial.

Keywords: Craft breweries, micro and small operators, craft beer tourism development, stakeholder theory, United States.

Introduction

The emergence of craft beer or microbrewing is illustrated in various industry reports, as well as in academic research. For example, Kleban and Nickerson (2011), and the Brewers Association (2016a) indicate the continuous rise of craft breweries, including microbreweries, in the United States. A similar phenomenon is reported by Brewers of Europe (2016) regarding the craft brewing industry's growth in within the European Union.

The recent rapid growth of craft breweries in many nations has been reflected in academic research (e.g., Danson, Galloway, Cabras, & Beatty, 2015; Ellis & Bosworth, 2015; Fastigi, Esposti, Orazi, & Viganò, 2015; Murray & Kline, 2015). One study (Murray & O'Neill, 2012) also highlights the strong relationships between craft beer, microbrewing, and the hospitality industry.

Overall, however, research on this burgeoning industry is still in its early stages. One view is that "little research has addressed the craft beer industry let alone their owners" (Watne & Hakala, 2011, p. 54). According to May (2012), microbrewing has received scant attention from the economic geography literature. Further, Aquilani, Laureti, Poponi, and Secondi (2015) identify limited research focusing on craft beer, including from an Italian consumer perspective. Moreover, these authors further state: "no studies have yet been carried out in Europe or in Italy on consumer preferences determining craft beer choice and consumption" (p. 214). Limited literature has also been identified concerning "marketing strategies among micro operations involved in new niches among mature industries (Cannatelli, Pedrini, & Grumo, forthcoming).

More specifically related to the present research, studies on craft beer tourism (CBT) are also few and far between. Indeed, nearly a decade ago, two studies (Plummer, Telfer, Hashimoto,

1 & Summers, 2005; Plummer, Telfer, & Hashimoto, 2006) examined the rise and fall of a
2 Canadian Ale trail. Also in North America, an exploratory research among Alabama's craft
3 brewers investigated the potential of CBT in this state (Duarte Alonso, 2011). Not
4 surprisingly, Dunn and Kregor (2014) identified limited research focusing on the relationships
5 between tourism and craft breweries, while Dunn and Wickham's (2016) study underlined
6 that "more needs to be known about the growth trajectories of the 'craft brewery tourism'
7 sector" (p. 141).

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9 This exploratory study fundamentally addresses some of the identified research gaps above,
10 both regarding the literature on craft brewing tourism and craft brewing entrepreneurship. The
11 study adopts Plummer et al.'s (2005) definition of beer tourism. Essentially, beer tourism a
12 leisure activity based on motivational elements, which entail experiencing a beer region,
13 visiting breweries, and beer festivals/shows, and tasting beers (Plummer et al., 2005). The
14 following research questions will be examined from the perspective of a key stakeholder
15 group in the craft brewing industry, namely, craft brewery operators, predominantly owners,
16 directors, and brewmasters:

17 RQ1: To what extent could CBT be developed? Moreover,

18 RQ2: What forms of CBT could be developed?

19 RQ3: What could be some of the challenges in developing CBT?

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21 In addition, statistical tests are employed to confirm/disconfirm any inter-group differences.
22 For instance, scales measuring the above questions will be tested against participants'
23 demographic characteristics (e.g., gender), or demographic characteristics of craft breweries
24 (e.g., size in production levels, employees).

25
26 Addressing the questions above could provide valuable new knowledge to various
27 stakeholders involved or interested in the burgeoning craft brewing industry, including
28 practitioners and academics. In fact, perceived forms of CBT that could be developed, as well
29 as the perceived challenges, could be informative to practitioners involved in the craft
30 brewing industry, and considering diversification alternatives. At the same time, this added
31 information could contribute to narrowing the existing knowledge gap in the academic
32 literature of CBT's potential. Moreover, the overall findings could be used by researchers as a
33 foundation for future investigations of the CBT phenomenon. The study also contributes to
34 theory development and refinement, in that it applies stakeholder theory (ST) as its theoretical
35 framework, especially in the context of RQ1 and RQ2. The following sections present the
36 rationale for this choice, and a discussion of the theory. Freeman's (1984) definition of
37 stakeholder, namely, any individual or group that can be affected by or affect the attainment
38 of an organisation's objectives, is adopted. Finally, in this study the 'organisation' or
39 'corporation' referred to by the ST literature is represented by craft breweries and/or the craft
40 brewery industry.

41 Literature Review

42 Numerous studies have applied stakeholder theory (ST) in tourism research to analyse a
43 variety of stakeholders (e.g., Byrd, 2004; Byrd, Bosley, & Dronberger, 2009; Jamal &
44 Stronza, 2009; Nilsson, 2007; Sautter & Leisen, 1999). Some researchers, however, have
45 either only considered ST, or have combined it with alternative frameworks to study one
46 group of stakeholders. For example, Presenza and Cipollina's (2010) research adopted both
47 ST and network analysis to examine Italian tourism firms. Other researchers (Dodds, Graci,
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and Holmes, 2010) have considered ST in their literature review, and have surveyed tourists' perceptions of tourism's environmental effects. In a different discipline, Marshall, Akoorie, Hamman, and Sinha (2010) adopted both the theory of reasoned action and ST when they investigated winery managers' perceptions of environmental practices in the wine industry. In line with these last investigations, the present study adopts ST as the theoretical foundation to study craft brewery operators. The role of this stakeholder group is vital, particularly as the main provider of the craft beer experience, through production, tastings, direct sales, and through consumer education. Together, these forms of involvement strongly suggest the potential contribution of craft brewery operators to developing CBT.

The relevance of ST

While many contributions in ST-related research exist (e.g., Currie, Seaton, & Wesley, 2009, Freeman, Wicks, & Parmar, 2004; Jones, 1995), the seminal work of Donaldson and Preston (1995) developing a "stakeholder model of the corporation" (p. 66) is critical to the following discussion. Moreover, in the absence of published CBT research adopting ST, whenever applicable, this discussion will be complemented by alternative literature, including the wine tourism literature. Furthermore, the theory will be interpreted in the context of craft brewing and CBT. This decision is aligned with Donaldson and Preston (1995), who underline that ST can be used or presented in a variety of forms; in turn, these forms may also involve different types of evidence or methodologies.

Overall, the ST model seeks to guide and explain the operation and structure of an established corporation (Donaldson & Preston, 1995). ST is referred to as a new narrative that helps understand three interrelated business problems: 1) how value is traded and created, 2) linking capitalism and ethics, and 3) assisting management in thinking how to address the first two problems (Parmar et al., 2010). Moreover, ST could assist in recognising that, when an organisation's objectives are established, "they should balance the sometimes conflicting claims of various stakeholders" (Reid and Arcodia, 2007, p.20).

In justifying and clarifying the stakeholder concept, Donaldson and Preston (1995) contrast two models (conventional input-output model of the firm versus stakeholder model), and summarise various central theses developed from the extant literature:

Descriptive: The thesis emphasises corporations as collections of competitive as well as cooperative interests with intrinsic value. The descriptive element of the thesis also justifies the question: Do participants or observers perceive the corporation in this manner? (Donaldson & Preston, 1995). Intrinsic value has been defined as "value which depends solely on the intrinsic [e.g., fundamental] nature of the thing in question" (Attfield, 1998, p. 164). Concerning stakeholders, intrinsic value suggests that "their interests range in the "worth" or substance" (Sautter & Leisen, 1999, p. 316).

In interpreting this thesis in the context of craft breweries, arguably, revenues and profitability represent operators' competitive interests. However, cooperative interests are linked to those of a cooperative or collaborative nature. Moreover, the cooperative aspect could be illustrated in the relationships between the breweries and buyers, including hospitality businesses (e.g., hotels, restaurants, bars/pubs), as well as end consumers. The thesis may apply, for instance, in explaining operators' efforts in educating hospitality business managers and end consumers. The thesis could also be interpreted in that these stakeholders could provide feedback or their overall verdict (acceptability/lack of acceptability of the product) back to the

brewery. Subsequently, in response to feedback, operators could improve and/or maintain the consistency of the quality and safety standards of the craft beer, with key implications for their industry's image. In a CBT environment, such interests could be demonstrated in brewery operators' relationships with visitors to a craft beer festival, with organisers, or with local authorities and the community.

Instrumental: According to Donaldson and Preston (1995), the thesis represents an instrument, establishing a framework that facilitates the identification of any links between a corporation's achievements of different performance objectives and practicing stakeholder management. Moreover, a key proposition is hypothesised in this thesis, namely, that corporations' success "in conventional performance terms" (Donaldson & Preston, 1995, p. 67), including growth, stability or profitability, is directly related to the practice of stakeholder management.

While return on investment and profitability may be fundamental motivational factors for establishing a craft brewing business, these end goals are closely dependent on operators' relationship and behaviour towards their stakeholders, including consumers. Moreover, and as also suggested in the descriptive thesis, stakeholder management in the context of breweries may take the form of consistent product quality and safety, which can build trust, and also draw consumers' interest in CBT through visitation of beer shows and festivals. The instrumental thesis could also apply to suppliers, distributors, festival managers, local tourism development agencies, or hospitality operations purchasing the craft brewery's products. All these stakeholders could become instrumental in the development of CBT; hence the significance for craft brewery operators to properly manage these stakeholders.

Normative: Fundamentally, this thesis prescribes the acceptance that a) stakeholders are groups or individuals who have legitimate interests in substantive or procedural areas of corporate activities, and b) all stakeholders' interests "are of intrinsic value" (Donaldson & Preston, 1995, p. 67). Moreover, "each group of stakeholders merits consideration for its own sake" (Donaldson & Preston, 1995, p. 67). In the context of craft brewing and CBT, corporate activities are represented by the efforts of craft breweries' ownership to disseminate knowledge of the products, and build or further develop a craft brewing culture within the population. Moreover, as is the case of wine tourism, which heavily depends on perceived product/service quality (Chen, Bruwer, Cohen, & Goodman, 2016), as well as on key experiential elements or attributes, including self-indulging, self-gratification and pleasure-seeking (Bruwer & Alant, 2007), craft brewery operators need to equally consider and address the needs and wants of key stakeholders. Regarding CBT, visitors, suppliers, distributors, local council/government, local tourism associations, or security personnel represent some key stakeholders with 'intrinsic value' to breweries and therefore to CBT's development. As important stakeholders in the process of building a craft brewing culture and CBT, these groups' interests need to be independently considered by operators and the industry.

Managerial: In the broad sense, ST is managerial, in that, apart from predicting cause-effect relationships and describing existing situations, it recommends practices, attitudes or structures, which, together, symbolise stakeholder management. Furthermore, as a fundamental attribute, stakeholder management involves paying "simultaneous attention to the legitimate interests of all appropriate stakeholders" (Donaldson & Preston, 1995, p. 67). The managerial thesis can apply to CBT development and management. For example, the

cause-effect relationship derived from craft brewery industry's goals and objectives versus practicing stakeholder management could have important implications.

Furthermore, the proper balancing act of pursuing corporate goals while paying attention to various stakeholders' interests would require structures, attitudes and practices. These elements, that could be operationalised through consumer education, dissemination of knowledge and information, consistent product/service standards, or working collaboratively with regional/national tourism entities, are vital to CBT development. The 'cause' is represented by the significant growth of the craft brewing industry, arguably triggered by increasing consumer interest in 'niche' beer markets/brands. The 'effect' is illustrated by how the craft brewing industry could manage and channel such interest. Thus, similar to wine tourism, the 'effect', which underlines attitudes, structures, and practices, could take the form of formalising regional craft brewing tours and trails or events.

In adopting ST, and in focusing on craft brewery operators, the present study examines the perceived potential of CBT, forms of CBT that could be considered, and challenges in working towards CBT development. Inter-group differences between the areas under investigation and demographic characteristics of breweries and participants are also tested.

Methods

This exploratory research investigates various fundamental aspects of CBT from the perspective of United States craft brewery operators, and through the lens of ST. This group of stakeholders is primarily chosen, as owners, managers, and brew masters represent the main providers of the craft brewer product and experience. Clearly, other stakeholder groups (consumers, distributors, suppliers) could have been chosen. Given the constraints of the study in terms of human, time, and financial resources, the study only focuses on this group. However, studying only one group of stakeholders is also in line with earlier tourism research (Dodds et al., 2010; Marshall et al., 2010; Presenza & Cipollina, 2010).

As previously suggested, the perceived potential of CBT, forms of CBT that could be developed in participants' region/state, and perceived challenges in CBT development are key areas examined. In addition, the study tests potential inter-group differences based on demographic characteristics of participants and breweries, against the areas under investigation. The substantial number of existing craft breweries and the wide distribution of these businesses throughout the United States, which imply the need for significant resources to contact and gather data, were key motives for choosing an online questionnaire over other forms of data collection, such as paper questionnaires, or interviews. This choice, while not free of constraints due to the prospect of low response rates (e.g., Jin, 2011) is however aligned with the data collection approach of previous wine consumer studies (e.g., Bruwer and Johnson, 2010; Johnson and Bruwer, 2007). Indeed, Bruwer and Johnson (2010) used predominantly a quantitative data collection approach when studying wine involvement among consumers. Similarly, Johnson and Bruwer (2007) adopted a quantitative approach to study consumers' perceptions of wine quality.

The questionnaire was designed to various areas, and was divided into several sections. One section sought to learn about demographic characteristics of participants and THE breweries. A second section provided a scaled item measuring perceptions of the potential of CBT. A third section presented participants with two scaled sections, one with forms of CBT that could be developed (Table 2), and the other with challenges in the development of CBT

(Table 3). All these items and sections used a Likert-type scale, where 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, and 5= strongly agree. Likert-type scales were chosen to clearly indicate what each scale meant.

The questionnaire sections were designed reviewing the existing beer tourism development literature (e.g., Duarte Alonso, 2011; Plummer et al., 2005, 2006). For example, various scaled items were designed following Plummer et al.'s (2006) definition of beer tourism. However, due to the limited number of studies on craft beer or CBT, the appropriate literature on wine tourism development and growth (e.g., Duarte Alonso & Liu, 2011; Stewart, Bramble, & Ziraldo, 2008) was also considered. Overall, the questionnaire was designed to gather numerical data. However, a qualitative component was also present, namely, in the form of space for comments at the end of sections 2 and 3. This component was made available to complement the quantitative data collection approach.

A search through numerous websites of state craft brewery listings, independent craft breweries, and craft brewery associations helped identify 1,772 email addresses nationwide. A message with a summary of the study's objectives was sent to these businesses in June of 2015; the message also asked recipients to follow a URL that would direct them to the online survey. Initially, 76 emails were returned indicating failure of delivery. Three reminders were sent over the following weeks to the remaining 1,696 email addresses; the data collection expanded from June to August of 2015. During this time, 230 valid responses were gathered. However, in nine cases various areas under investigation were incomplete. As a result, these responses were deemed invalid. Thus, in total 221 valid responses were collected, a 13.0% response rate. This percentage is significantly higher than, for instance, wine tourism research employing online questionnaires (e.g., Bruwer & Johnson, 2010; Johnson & Brewer, 2007); however, it is modest in terms of the generalisability potential.

Therefore, caution should be exercised in the overall interpretation of the findings. Despite this limitation, the study provides new and added information on an area that continues to be under-researched. The new insights that reveal opportunities and challenges of CBT development could be of interest to craft brewery operators considering CBT as one among other diversification options. Furthermore, the findings could be useful to small/micro business development agencies, in identifying ways to create growth and development, to craft brewer associations, both in developing the industry and supporting members, and finally, to researchers and end consumers.

The number of responses, and the characteristic of the questionnaire sections, with various sections using Likert-type scales, justify the choice of various statistical tests to analyse the data. These tests include independent-samples t-test, and one-way ANOVA (Scheffé post hoc). These choices are also in line with contemporary wine tourism research (e.g., Barber, Dodd, & Ghiselli, 2008). In the following sections, the collected qualitative data from participants' comments will be provided verbatim; comments will be labelled as P1, P2 (Participant 1, Participant 2) and so forth.

Results

4.1 Demographic characteristics – craft breweries and participants

Brewery owners and directors represent over 70% of participants, while nearly 11% are employees (Table 1). Further analysis revealed that 31 participants (14%) performed more than one role at the brewery (e.g., owner/brewmaster). All participating breweries fall under

the category of micro and small firms. For example, in terms of volume, the Brewers Association (2016b) defines small brewers **in the United States** as those producing a maximum of six million barrels or less annually, **approximately** 715 million litres. Regarding the number of employees, 60% of craft breweries employ less than nine individuals **or none**. At the other end, only 21 breweries (9.5%) employ 50 or more people. Reflecting the rapid growth of the craft brewing industry in the United States and elsewhere, the majority of breweries (61.1%) have been established in the last three years. Regarding the gender composition of respondents, males were the clear dominant group, while geographically, the largest of four identified groups was from the West Coast. Finally, nearly 14% of craft breweries are exporting to other states or neighbouring **countries**. **Similarly, the** vast majority open their doors to the public, clearly illustrating their involvement and relationships with hospitality and tourism.

Table 1 Here

4.2 RQ1: Perceptions of CBT development; inter-group differences

Asked about the extent to which CBT could be developed, and as illustrated (Table 2), participants positively perceived the potential for CBT development, with only 26 (11.8%) indicating a neutral level of agreement or disagreement. Space at the end of this second section allowed for a number of typed responses, which revealed two predominant themes. The first theme identified an already burgeoning CBT movement in some of the states, which further supported the overall positive sentiment about this **industry**. **In some cases**, comments suggested that such potential could follow or replicate the earlier establishment of wine tourism:

P1: *Craft beer tourism is in a very new stage in Massachusetts. It should become like the vineyards of California in coming years.*

P2: *It's already happening, similar to our WA wine tourism. WA Beer still has a long way to go, but with hop production what it is here in the state, we offer rare opportunities to see all of the WA Beer Story.*

P3: *We already have a bolstering Craft Beer Tourism market in our local region, as well as Oregon as a whole, and the Pacific Northwest and West Coast areas. This can certainly be grown and expand upon as the industry continues to grow.*

Table 2 Here

The second type of comments identified unexploited opportunities, and room for further development:

P4: *Our region of Oregon is slowly becoming recognized as a craft beer destination. Working together, we all can help promote the culture of craft beer to locals and visitors alike.*

P5: *The St. Louis Brewer's Guild is pushing for an increase in beer tourism to the city due to our rich history and density of quality microbreweries.*

P6: *Although we live in a tourist area, we could improve in attracting visitors in the off season.*

In addition, the fact that only one statistically significant difference was noticed regardless of the demographic group participants or breweries belonged to, further reflects the general positive perceptions. However, even in this case all the different groups were in agreement.

For example, participants from the ‘newer’ breweries, those established in the last three years, agreed more (mean=4.44) than those from ‘older’ breweries (mean=4.19), or over three years ($p<0.02$) concerning the potential for CBT development in their region/state.

4.3 RQ2: Perceived forms of CBT that could be developed; inter-group differences

Participants were also prompted to indicate the level of agreement concerning specific ways in which CBT could be operationalised. Overall, responses followed a positive trend previously identified, with the figures in Table 3 being clearly associated with those in Table 2. While a level of agreement was noticed in all eight proposed forms, five of these stood above the rest. Importantly, participants agreed more with activities that clearly suggest the need for collaboration/cooperation with other craft beer ‘stakeholders.’ Such collaboration included the distribution to local pubs/bars, or working with other businesses and breweries. Concerning this item, P7 stated: “A lot of our pubs/bars are currently selling craft beer as we can now distribute to them.”

Testing the internal consistency of the scale items, the Cronbach’s Alpha (.867) suggested the appropriateness to conduct further analysis (e.g., Nunnally, 1978). Running one-way ANOVA (Scheffé post hoc), a statistically significant difference based on level of production emerged ($p<0.050$). In fact, those participants representing breweries that produced the most barrels (4194 and above), agreed less (mean=3.85) with establishing brewery tours than those producing between 336 and 839 barrels (mean=4.34). One possible justification for this result is that operators from the ‘larger’ craft breweries may need to seek distribution outlets for their products more intensively. Once this objective is achieved, they may not perceive a need to become involved in craft brewery tours. Another justification could be that, given the larger size of the brewery, the more industrial facilities may not be perceived as appealing, or be prepared for tours. A second statistically significant difference was noticed based on breweries’ region ($p<0.050$), with participants from the West (mean=3.94) agreeing less than those from the South (mean=4.38), and the Mid-West (mean=4.40) regarding brewery trails as a form of CBT. One reason for these results could be the concentration of breweries in specific towns of the last two regions, with closer geographic proximity.

Table 3 Here

Running independent-samples t-test, a statistically significant difference ($p<0.050$) was revealed. Those participants performing more than one role at the brewery agreed more (mean=4.29) than those performing only one role (mean=3.94) concerning the perceived potential of craft beer festivals. One plausible reason for this finding is that those performing one role, in particular owners (122 cases), may be less prone or have less time to explore and identify trends or new developments outside the brewery. In contrast, those performing more than one role, including owners/brewmasters (20 cases) may be more actively involved with other external stakeholders. As a result, these participants may have more industry contacts, and be more inclined to incorporate or assimilate new forms to market their products. Table 4 also illustrates statistically significant differences based on the age of the brewery. In all cases, the level of agreement among operators of more recently established breweries was higher. Again, these differences may be justified by the broader, more proactive, or even more flexible view of operators from newly established breweries, considering a variety of ways to market their products. At the other end, operators of the more established breweries may have already developed other strategies in place, and may therefore be less inclined to consider CBT as a potential business strategy.

Table 4 Here

Space at the end of this section again allowed for gathering several comments, some of which further highlighted the various forms in which CBT could be operationalised, and that participants seem to be considering:

P8: *We are located in an area experiencing a craft brewery boom. All of the above things are already happening here, except for the packaged tours, and I see that one on the horizon.*

P9: *There are already lots of these experiences available in our area. We are mostly lacking big beer festivals and some form of "ale trail."*

However, apparently based on previous disappointing experiences, a more cautious view was also expressed (P10): *"This [CBT] has been attempted in my region and the result was a disaster. A bus tour was planned with visits to multiple breweries and the business never got enough people to even do one tour although several, about 10, had been planned."*

4.5 RQ3: Perceived challenges in developing CBT; inter-group differences

A final question concerned participants' perceived challenges in developing CBT. The modest means shown in Table 5 suggest that, for the participants, the challenges to CBT development do not seem significant. At the same time, these findings provide yet another illustration of the overall positive perceptions regarding CBT development. Only four of the eight items are close to the 'neutral' level, or 'neither agree nor disagree.' Various verbatim comments underlined the problem of limited logistics or transportation options, as well as some compliance issues that posed constraints to the further growth of CBT:

P8: *The City of Houston and the surrounding metro area is about 10,000 sq. miles. All but 5 inner city breweries are extremely scattered and it would make it difficult to drive/tour. Most breweries are only open to the public on Saturdays from 1 to 3 pm because they do not have the facilities to meet requirements for on-site consumption and must do tastings only.*

P9: *We are several miles (50+) away from any other breweries. This would make being part of a trail difficult.*

P10: *Kansas City is very spread out and the time to travel from brewery to brewery could be an issue as well as lack of good public transportation for people to travel on their own and avoid drunk driving laws.*

Table 5 Here

In comparison, the low means suggest that participants appeared to disagree with lack of collaboration among craft breweries and with lack of a local craft brewing culture. One other verbatim comment emphasised lack of institutional support (P10): *"In Frederick County, we have enough breweries now to have a Beer Trail, but there is no support from local government nor the state brewer's guild to make it happen."*

As previously tested with Table 3's items, the internal consistency of the eight scaled items (Table 5) resulted in a Cronbach's Alpha (.796) that supported further analysis. However, only two statistically significant differences were noticed; both differences are based on participants' gender. First, males agreed more (mean=2.84) than their female counterparts

(mean=2.38) regarding lack of facilities to host visitors ($p<0.20$). Second, and associated with the previous finding, males' level of agreement was higher (mean=2.87 versus mean=2.50) concerning the required investment to host visitors ($p<0.50$).

Discussion

The findings revealed an alignment with the various theses proposed by ST (Donaldson & Preston, 1995). Importantly, the theses appear to be mutually inclusive, suggesting that the findings may apply in the context of more than one thesis. The following discussion is complemented by a framework conceptualising the results of Table 3, and proposing a refinement of ST's theses in the context of CBT (Figure 1).

Descriptive thesis: The 'competitive/cooperative interest' elements emphasised by Donaldson and Preston (1995) emerged in the findings. The competitive interest is clearly reflected in participants' level of agreement with the perceived potential of CBT. Furthermore, both competitive and cooperative interests were revealed through participants' agreement with the proposed forms of CBT (Table 3). As suggested earlier, the educational component could be vital in a) disseminating knowledge of craft breweries' products, b) creating bonds between breweries, distributors, hospitality businesses (restaurants, pubs), and end consumers, and c) receiving critical feedback to make quality or other improvements. Thus, educational activities could overall enhance the local industry's brand image, its competitiveness, and cooperation among various stakeholders. Together, educational activities could lead to CBT development through craft brewing festivals among other forms.

In this context, wine tourism research highlights the importance of the educational component to enhance visitors' experience (Kim & Bonn, 2016; Quadri-Felitti & Fiore, 2016). For example, Kim & Bonn (2016) identify visitors' willingness to revisit the winery where they experienced wine tourism, including the element of 'authenticity' in tasting wines on-site and the atmosphere of the winery. Similarly, earlier studies (Marzo-Navarro & Pedraja-Iglesias, 2009, 2012) emphasise the experiential element, and, importantly, how services wineries offer, including providing knowledge about the products, can have a very positive impact on visitors' perceptions.

Instrumental thesis: Strong relationships were highlighted between CBT development/success, breweries' overall business objectives/success, and Donaldson and Preston's (1995) recommendation of practicing stakeholder management. In fact, participants' agreement to work with pubs/bars, or with various businesses to offer packaged tours or brewery tours and trails illustrate preparedness to 'manage stakeholders' or, in this case, establish or strengthen collaborative relationships. Also important is breweries' relationship with other stakeholders previously identified, namely, suppliers (e.g., of brewery equipment, bottles, labels, raw products), festival managers, or local agencies, such as local council/town hall. While collaboration was not perceived as a challenge toward CBT development, P10's comment suggests that in some regions this resource may still be in short supply.

Figure 1 Here

Normative: As the findings from both Table 3 and additional participating comments underline, accepting the substantive or legitimate interests of various stakeholders (Donaldson & Preston, 1995) are strongly associated with CBT development. Such association also has implications for the future success of the local craft brewing industry. Moreover, given the

apparent positive perceptions of CBT development among participants, which may result in interest and involvement, craft breweries and the industry need to carefully consider their main stakeholders' interests. One way of doing so is through craft brewers' individual, as well as collaborative efforts in developing a craft brewing culture. Such efforts could be more intense among the most relevant and closest stakeholders (e.g., consumers/visitors, distributors, hospitality operations), continuously disseminating knowledge about the industry and its products. In support of this notion, Quadri-Felitti and Fiore (2016) emphasise the potentially beneficial outcomes from the establishment of partnerships with hospitality and even educational institutions, which "would extend the learning halo" (p. 413). Furthermore, a well-developed experiential environment, starting with craft brewery visitation, and subsequent involvement in other CBT activities, could build or strengthen a craft brewing culture.

Managerial: Cooperating and working with a variety of stakeholders could over time help establish structures and practices to guide the craft brewing industry to consider and address stakeholders' interests, needs, and wants, especially those of consumers, distributors, and hospitality operations. Arguably, there is a reciprocal relationship between brewery operators and these groups of stakeholders. First, these stakeholders may have a legitimate interest in craft breweries' activities, as these have implications for leisure, consumption, safety (consumers), or sales (distributors, hospitality operations). Thus, given the potential patronage and loyalty (consumers), or purchases and sales (distributors, hospitality businesses), the impact of various stakeholders on craft breweries could be massive. Second, and as a result, breweries depend on these stakeholder groups, and accordingly need to look after their interests. Therefore, the above structures and practices underlining brewery operators' proactive attitudes, for instance, towards their end consumers, could include product/service quality standards. Regarding these aspects, findings in wine tourism research (Marzo-Navarro & Pedraja-Iglesias) emphasise the need for developing communication strategies in order to help increase consumers' interest in the product. Finally, structures and practices could be developed to guide operators' relationships with suppliers, local tourism councils and government institutions, with potentially positive impacts on the design and execution of CBT related projects and ideas.

As illustrated (Figure 1), the different associations between ST's theses and the findings have important implications for various stakeholders, the craft brewing industry, and, ultimately for craft breweries as the main providers of the CBT experience. The cycle then starts again at the point of craft brewery operators' perceptions of CBT; importantly, these perceptions can influence their relationship with other stakeholders. Overall, the framework (Figure 1) provides a refinement of ST in the context of CBT development, and therefore an additional contribution of the present exploratory research.

Conclusions

The increasing number of new craft breweries in many regions and countries provides a significant experiential element for consumers to taste unique, non-mass produced products. The fast growth of craft breweries also suggests the potential for CBT development in towns, cities, or other areas and regions where craft breweries operate. A growth of academic studies examining the craft beer industry has been noticed. To date, however, various authors recognize a dearth of knowledge and research on this industry (e.g., Aquilani et al., 2015; Cannatelli et al., forthcoming; Watne & Hakala, 2011). Such knowledge gap includes

research on the relationships between craft breweries and tourism (Dunn & Kregor, 2014; Dunn & Wickham, 2016).

This exploratory study sought to contribute to the CBT literature, exploring the burgeoning craft brewing industry from the perspective of predominantly micro and small United States craft brewery operators. The findings underline participants' positive perceptions regarding the potential for CBT development. In particular, distribution to hospitality businesses (pubs/bars), packaged tours and craft beer/food pairings were perceived as most attractive forms of CBT. In contrast, the modest means (Table 5) did not clearly point out at any specific challenges, with logistical and time limitations being the most significant. Several statistically significant differences underlined variations in perceptions based on breweries' production, the age of the brewery, and also based on participants' gender. Verbatim comments further complemented the predominantly numerical data, and supported participants' overall perceptions. Furthermore, the four ST-related theses prescribed by Donaldson and Preston (1995) guided and informed the research, allowing for in-depth understanding concerning perceived forms of CBT (Table 3), and how these relate to CBT and the craft brewing industry's stakeholders.

Implications

The overall findings identify various practical implications. Fundamentally, the generally positive perceptions of participants, including their agreement with the various forms of CBT that could be on offer provide clear evidence of CBT's potential. In turn, this evidence could be further considered by a number of stakeholders. For example, regional tourism development agencies or state/government agency representatives could further examine the potential of CBT in those regions, including states or counties identified in the study. The findings also underline the significance of further fomenting collaboration between craft breweries and other stakeholders, and the significance of proper stakeholder manager, particularly given the inter-relationships or dependence of breweries on consumers, visitors, and local hospitality businesses. Furthermore, while the findings reveal that lack of collaboration did not seem to be a key challenge. However, given the relatively recent growth of this industry there is limited information regarding collaboration or other critical areas that could affect the sustainable growth of CBT. Thus, the role of development agencies, together with the craft brewing industry and other stakeholders, including festival organisers/managers, hospitality and tourism industry stakeholders, and consumer groups, could be vital in designing future CBT-related plans and projects.

According to Gioia and Pitre (1990), the process of theory building entails generating, testing, and refining theoretical representations. This study employed ST's theses as tools to facilitate understanding of the interplay between craft breweries, stakeholders, and CBT. Thus, from a theoretical perspective, the refinement of ST proposed in this research (Figure 1) underlines key implications. First, the adoption of Donaldson and Preston's (1995) theoretical framework based on the four theses highlighted its usefulness in guiding the study of CBT. Consequently, this framework could also be operationalised in future CBT research, or research focusing on other forms of tourism development, or other forms of entrepreneurship where the involvement of one or various stakeholders is vital to the development of a new business proposition. A second implication concerns the different associations between the findings and ST displayed in Figure 1. The structure of this framework, either in its current form or modified, could invite reflection and, if adopted, could guide future research examining stakeholders' role in a particular industry, area of interest, including CBT.

Limitations and Future Research

As indicated earlier, the study is not free of limitations, one of which is the achievement of a 13% overall response rate. Furthermore, data gathered from other countries could have allowed for useful comparisons, and potentially also for identifying differences in perceptions. Similarly, data could have been gathered at different times of the year, or longitudinally, for instance, every two years, which could have helped confirm previous perceptions of CBT development, or even differences in perceptions. Again, despite these limitations, this exploratory study represents an initial effort to study predominantly micro and small United States craft breweries nationwide. This effort provides empirical evidence of a growing phenomenon that still continues to be considered to a very limited extent in academic studies. Finally, the study provides an original element, in that its focus of studying craft breweries nationwide differs from earlier studies primarily devoted to a region or state (e.g., Duarte Alonso, 2011; Plummer et al., 2005, 2006).

Future research could attempt to address some of the above limitations, for instance, identifying more craft breweries nation-wide, and achieving higher response rates. In particular, future research could benefit from a more balanced response rate from different United States regions, which could allow for comparing perceptions regarding opportunities and challenges in CBT development. This information could be complemented by face-to-face interviews with selected craft brewery operators. Studies could also help confirm/disconfirm the overall positive views concerning CBT development in the present research. In addition, other CBT stakeholders could be considered in future investigations, including consumers/visitors to craft breweries or craft beer festivals/fairs, suppliers, distributors and hospitality operations (e.g., hotels, restaurants, bars). This information could provide very valuable perspectives that might lead to identifying stakeholders' needs and wants, including in regards to involvement in CBT. Finally, the further consideration and application of ST could not only enlighten or illuminate researchers investigating the significance of stakeholders in CBT development, but also lead to theory development or refinement. In this context, the adoption of ST in combination with other theoretical frameworks, including the theory of planned behaviour, role theory or social exchange theory, could also be considered.

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Table 1: Demographic characteristics: participants and breweries

Characteristics		
Role of the participant (indicating more than one role was possible)	n	%
Brewery owner	146	66.1
Brewing master/brewer	47	21.3
Brewery's director	30	13.6
Employee (other than the brewing master)	24	10.9
Shareholder	11	5.0
Business partner	10	4.5
Production per year		
335 barrels or less (approximately 39,312) litres	51	23.1
Between 336 and 839 barrels (39,428.8 and 98455 litres)	58	26.2
Between 840 and 4193 barrels (98,572.1 and 485,702 litres)	79	35.7
Between 4194 and 335,457 barrels (492,516.5 and 39,365,130 litres)	33	14.9
Number of employees		
No employees	16	7.2
Between 1-9	121	54.8
Between 10-19	34	15.4
Between 20-49	29	13.1
50 or more	21	9.5
Age of the craft brewery		
Less than 3 years	135	61.1
Between 3-10 years	46	20.8
Between 11-20 years	29	13.1
Between 21-30 years	11	5.0
31 years or more	0	0.0
Respondents' gender		
Male	181	81.9
Female	40	18.1
Region where brewery is located		
West	90	40.7
South	54	24.4
Mid-West	45	20.4
North-East	32	14.5
Involved in exports		
Yes	30	13.6
No	191	86.4
Open to the public		
Yes	210	95.0
No	11	5.0

Table 2: Perceptions of CBT's potential

1 *		2		3		4		5		Mean	SD
1	0.45%	2	0.90%	23	10.41%	90	40.72%	105	47.51%	4.34	.737

* 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree

Table 3: Perceived forms of CBT that could be operationalised

Forms	n	Mean	SD
Pubs/bars selling locally crafted beer	221	4.28	.795
Packaged tours (e.g., sightseeing, visit to other businesses)	221	4.22	.770
Craft beer and food pairings (e.g., a beer-food event at a brewery or at several breweries)	221	4.22	.757
Brewery tours (e.g., bus/walk tours)	221	4.19	.777
Brewery trails (e.g., in combination with other breweries)	221	4.19	.773
Educational tours (e.g., a 'brewing experience', day/training)	221	4.02	.835
Visit to single breweries (e.g., tastings)	221	4.02	.821
Craft beer festivals (e.g., in a town/city/region)	221	4.00	.918

Cronbach's Alpha: .867

Table 4: Inter-group differences using independent-samples t-test

Forms	Age *	n	Mean	STD	SIG.
Brewery tours (e.g., bus/walk tours)	1	135	4.28	.750	0.029
	2	84	4.05	.790	
Craft beer festivals (e.g., in a town/city/region)	1	135	4.11	.928	0.014
	2	86	3.80	.865	
Craft beer and food pairings (e.g., a beer-food event at a brewery or at several breweries)	1	135	4.33	.741	0.010
	2	86	4.06	.757	
Packaged tours (e.g., sightseeing, visit to other businesses)	1	134	4.30	.795	0.040
	2	86	4.08	.707	

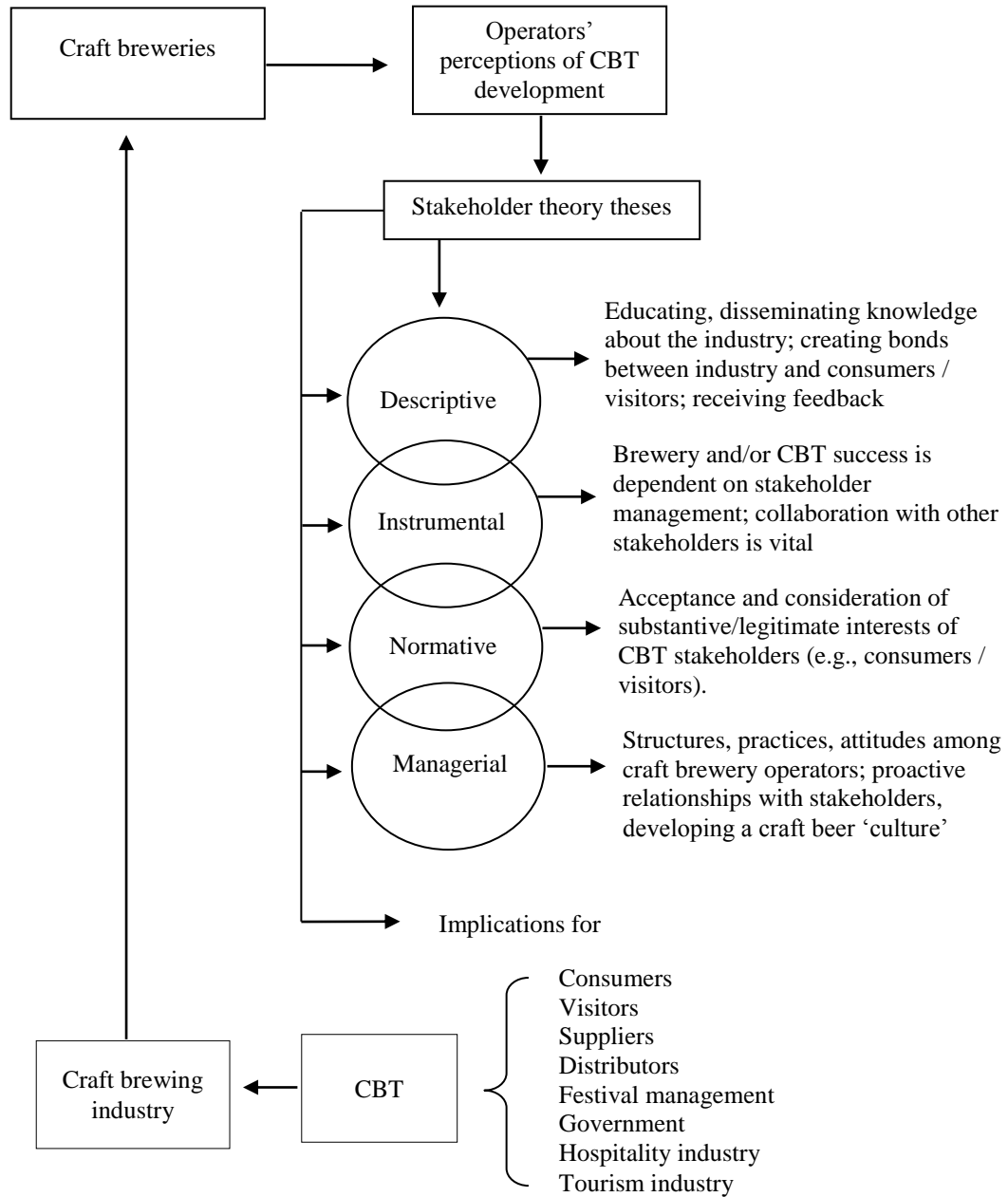
Age of the brewery: 1= less than 3 years; 2= 3 years or older.

Table 5: Perceived challenges in developing ‘craft beer tourism’

Challenges	n	Mean	SD
Limited logistics (e.g., lack of transportation from and to the brewery)	221	3.23	1.130
Lack of time to become involved in craft brewing tourism	221	3.12	1.112
Legislation / legal issues (e.g., drink-and-drive laws)	221	3.06	1.110
Lack of leadership (e.g., from the local tourism agency/town hall)	221	2.97	1.120
The required investment to host visitors (e.g., counter, furniture, taps, etc.)	221	2.81	1.054
Lack of facilities to host visitors (e.g., space)	221	2.76	1.076
Lack of a local craft brewing culture / tradition	221	2.56	1.212
Lack of collaboration among local breweries (e.g., to create/develop a beer trail)	221	2.47	1.076

Cronbach’s Alpha: .796

Figure 1: Conceptualisation of ST in the context of the findings



The potential for craft brewing tourism development in the United States: A stakeholder view

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